

INVESTMENT FORUM AGENDA FOR DECEMBER 14, 2011, 10:00AM

The Forum will meet January 4, 11, and 18 at 10:00AM

The Week that Was. After hearing that Great Britain was not on-board with the EU austerity measures on Thursday evening, I was prepared for an awful day on Friday. Instead, we had a nice pop, and a .9% rise in the S&P for the week. With all the focus on Europe and China, perhaps we have forgotten that the US is still the world's biggest economy, and recent economic numbers have looked pretty good. So a "December to Remember" is still a possibility.

Maury's Chart of the Week.

Bob Springer on Munis. Barring a possible personal obligation, Bob will give his self-introduction, along with a tutorial on munis: where to find 'em and how to buy 'em. Bob's presentations are always easy to follow and understand.

Searching for Dividend Yields. SDY, a popular ETF that I have mentioned before, tracks the "dividend aristocrats," 50 stocks that have a 25 year track record of increasing dividends each year. SDY has added ten stocks to its list of "dividend aristocrats:" AT&T (T); HCP, Inc. (HCP); Sysco (SYY); Nucor (NUE); Illinois Tool Works (ITW); Genuine Parts (GPC); Medtronic (MDT); Colgate Palmolive (CL); T Rowe Price (TROW), and Franklin Resources (BEN). Century Link (CTL) has been dropped. SDY's dividend yield is 3.65%. The new stocks will be added with the December rebalancing of SDY.

The Global X Super Dividend ETF (SDIV, launched June 2011) is yielding 5.3%. This ETF tracks higher yielding international and mid-cap stocks. A number of other high dividend stock ETFs have come on the scene recently.

Barron's ten stock picks for 2012. Berkshire Hathaway (BRK.A); Comcast (CMCSA); Daimler (DDAIF); Freeport McMoran (FCX); MetLife (MET); Procter & Gamble (PG); Royal Dutch (RDS.A); Sanofi (SNY); Seagate Technology (STX); Vodafone (VOD). All pay good dividends, except Berhshire Hathaway. Of note, Barron's ten picks for 2011 have a combined total return of minus 6.9%, compared to the S&P return of minus 1.9% as of the date of the comparison. Those 2011 picks included JP Morgan, General Motors, and United Airlines.

"The Bond Buyer's Dilemma." In an article in the 12/7 Wall Street Journal, Burton Malkiel lamented bond yields, and the danger of Treasuries, particularly when yields rise. His recommendations: higher yielding munis (including through Closed End Funds); foreign bonds of countries with low debt (Australia), and US corporations with good dividends (AT&T.)

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